



Allen Financial Insurance Group

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAPITOL BUSINESSOWNERS PREMIER ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE	
COVERAGE	LIMIT OF INSURANCE
Accounts Receivable	\$ 25,000
Valuable Papers And Records	\$ 25,000
Electronic Data Processing Equipment	\$ 25,000
Personal Effects	\$ 10,000
Fine Arts	\$ 25,000
Property In Transit	\$ 5,000
Demolition Cost	\$ 5,000
Spoilage Cost	\$ 1,500
Water Back – Up And Sump Overflow	\$ 5,000
Crisis Counseling	\$ 5,000
Outdoor Signs	\$ 2,500
Money And Securities – Inside Premises	\$ 5,000
Money And Securities Outside Premises	\$ 5,000
Employee Dishonesty	\$ 5,000

SECTION I – PROPERTY, A. Coverage, 6. Coverage Extensions is amended as follows:

A. Accounts Receivable

SECTION I – PROPERTY, A. Coverage, 6. Coverage Extensions f. Accounts Receivable (2) is deleted and replaced with:

The most we will pay under this Coverage Extension for loss or damage in any one occurrence at or away from the described premises is \$25,000, unless a higher Limit of Insurance for Accounts Receivable is shown in the Declarations.

B. Valuable Papers And Records

SECTION I – PROPERTY, A. Coverage, 6. Coverage Extensions e. Valuable Papers And Records (3) is deleted and replaced with:

The most we will pay under this Coverage Extension for loss or damage to “valuable papers and records” in any one occurrence at or away from the described premises is \$25,000, unless a higher Limit Of Insurance for “Valuable Papers And Records” is shown in the Declarations.

C. Electronic Data Processing Equipment

SECTION I – PROPERTY, A. Coverage, Paragraph 5. Additional Coverage p. Electronic Data of the **Businessowners Coverage Form** is deleted and replaced with the following:

The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, but if the electronic data processing equipment or electronic data processing media is lost or damaged while in transit, off premises, or on a vehicle the most we will pay is \$5,000. These limits apply regardless of the number of occurrences of loss or damage or the number of premises, locations, or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or

damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence begins.

D. Personal Effects

The last paragraph of **SECTION I – PROPERTY A. Coverage 6. Property Extensions d. Personal Effects** is deleted and replaced with:

The most we will pay for loss or damage under this Extension is \$10,000 at each described premises.

E. Fine Arts

You may extend the insurance provided by this Coverage Form to apply to loss or damage to your “fine arts” caused by a covered cause of loss at the described premises. We will value your “fine arts” at their market value at the time of loss. The most we will pay for loss or damage under this Coverage Extension is \$25,000.

The following definition is added to **SECTION I – PROPERTY H. Property Definitions**:

“Fine Arts” means paintings, etchings, pictures, tapestries, art glass windows, other bona fide works of art such as valuable rugs, statuary, marble, bronzes, antique furniture, art installations, mobiles, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and other miscellaneous collectibles of rarity, historical value or artistic merit

F. Property In Transit

This Coverage Extension applies only to your Business Personal Property to which this Coverage Form applies.

1. You may extend the insurance provided by this Coverage Form to apply to your Business Personal Property in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

2. Loss or damage must be caused by a result from one of the following causes of loss:

- a. Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism;
- b. Vehicle collision, upset or overturn. Collision means accidental contact of a vehicle with another vehicle or object. It does not mean a vehicle's contact with the road bed;
- c. Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of this forced entry;
- d. Flood or earthquake;
- e. Voluntary parting with your property entrusted to a common carrier;
- f. Any fraudulent, dishonest or criminal act done by a common carrier to whom the property is entrusted, unless instigated by you or your employee;

3. The most we will pay for loss or damage under this Coverage Extension is \$5,000.

4. Property in transit includes property while in the custody of:

- a. Any railroad (including while on ferries or in car or transfers or lighters);
- b. Public truckmen, private truckmen or land transportation companies;
- c. You or anyone else while in or on vehicles you own, lease or hire;
- d. Any air transportation company;
- e. Any water transportation company while on inland waters of the continental United States, the Great Lakes or the St. Lawrence Seaway; or

f. Any other person authorized you to have the care and custody of your property outside your premises (including your salespeople)

5. This extension does not apply to the following:

- a. Shipments by mail;
- b. Property covered under import or export Ocean Cargo policies;
- c. Inter-costal water shipments via the Panama Canal; or
- d. Coastwise water shipments to Alaska.

G. Demolition Costs

The Coverage(s) provided by this endorsement apply only if both **1.a.** and **1.b.** are satisfied and are then subject to the qualifications set forth in **1.c.**

1. Application Of Coverage

a. The ordinance or law:

- (1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(2) Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

b. The building sustains direct physical damage:

- (1) That is covered under this policy and such damage results in enforcement of the ordinance or law; or

(2) That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

(3) But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

c. In the situation described in 1.b.(2). above, we will not pay the full amount of loss otherwise payable under the terms of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of endorsement.

2. We will not pay under the Coverage of this endorsement for:

a. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot or bacteria; or

b. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of

"pollutants", "fungi", wet or dry rot or bacteria.

3. Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

4. Loss Payment

a. All loss payment provisions are subject to the apportionment procedure set forth in Section G. 1. c. of this endorsement.

b. Loss payment under Demolition Cost coverage will be determined as follows:

We will not pay more than the lesser of the following:

(1) The amount you actually spend to demolish and clear the site of the described premises; or

(2) \$5,000.

H. Spoilage Coverage

The following provisions (1. through 9. inclusive) apply to the coverage provided by this endorsement:

1. **Paragraph A.1. Covered Property in Section I – Property** is replaced by the following:

a. Covered Property

Covered Property means "perishable stock" shown in the Schedule at the described premises, if the "perishable stock" is:

(1) Owned by you and used in your business; or

- (2) Owned by others and in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition E.5.d.(3)(b).

2. The following is added to **Paragraph A.2. Property Not Covered in Section I – Property:**

k. Property located:

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

3. **Paragraph A.3. Covered Causes Of Loss in Section I – Property** is replaced by the following:

Covered Causes Of Loss

Subject to the exclusions described in Item 5. of this endorsement, Covered Causes of Loss means the following:

a. Breakdown or Contamination, meaning:

- (1) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises shown in the Declaration; or
- (2) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises shown in the Declaration.

Mechanical breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

- b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

4. **Paragraph A.6. Coverage Extensions in Section I – Property** does not apply.

5. **Paragraph B. Exclusions in Section I – Property** is replaced by the following:

Exclusions

- 1. Of the Exclusions contained in Paragraph B.1. in Section I – Property, only the following apply to Spoilage Coverage:

- b. Earth Movement;
- c. Governmental Action;
- d. Nuclear Hazard;
- f. War And Military Action; and
- g. Water.

- 2. The following exclusions are added:

We will not pay for loss or damage caused by or resulting from:

- a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- c. The inability of an electrical utility company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.
- d. The inability of a power source at the described premises to provide sufficient power due to lack of

generating capacity to meet demand.

- e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

6. Conditions

Under **Property Loss Conditions** in **Section I – Property, Item d.** of **Condition 5. Loss Payment** is replaced by the following:

- d. We will determine the value of Covered Property as follows:

- (1) For "perishable stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;

- (2) For other "perishable stock", at actual cash value.

7. **Paragraph G. Optional Coverages** in **Section I – Property** does not apply.

8. The following is added to the Definitions in Section I – Property:

"Perishable stock" means property:

- a. Maintained under controlled temperature or humidity conditions for preservation; and
- b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

9. Loss Payment

The most we will pay under H. Spoilage Coverage is an annual aggregate of \$1,500.

I. **Water Back-Up and Sump Overflow**

- 1. We will pay for direct physical loss or damage to Covered Property, covered under **Section I – Property**, caused by or resulting from:

- a. Water or waterborne material which backs up through or overflows or is

otherwise discharged from a sewer or drain; or

- b. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph 1.b., we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

- 2. The coverage described in Paragraph 1. of this endorsement does not apply to loss or damage resulting from an insured's failure to:

- a. Keep a sump pump or its related equipment in proper working condition; or

- b. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

- 3. The most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Covered Property Annual Aggregate Limit of Insurance. That limit is \$5,000 per location, unless a different Covered Property Annual Aggregate Limit of Insurance is indicated in the Schedule of this endorsement.

The applicable Covered Property Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property. If loss payment for the first such occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy

year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

4. The following provisions apply to Section I – Property and supersede any provisions to the contrary:

The most we will pay under:

- a. Paragraph A.5.f. Business Income Additional Coverage for all loss of Business Income you sustain due to the necessary suspension of your "operations" caused by direct physical loss or damage to Covered Property as described in Paragraph A. of this endorsement; and

- b. Paragraph A.5.g. Extra Expense Additional Coverage for all necessary Extra Expense you incur and that you would not have incurred if there had been no direct physical loss or damage to Covered Property as described in Paragraph A. of this endorsement;

is the Business Income And Extra Expense Annual Aggregate Limit of Insurance. That limit is \$5,000 per location, unless a different Business Income And Extra Expense Annual Aggregate Limit of Insurance is shown in the Schedule.

The applicable Business Income And Extra Expense Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all loss of Business Income you sustain and Extra Expense you incur in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property as described in Paragraph A. of this endorsement. If loss payment during an earlier "period of restoration" in the policy year does not exhaust the applicable Limit of Insurance, then

the balance of that Limit is available for loss of Business Income you sustain or Extra Expense you incur during a subsequent "period of restoration" beginning in, but not after, that policy year. With respect to a "period of restoration" which begins in one policy year and continues in a subsequent policy year(s), all loss of Business Income you sustain or Extra Expense you incur is deemed to be sustained or incurred in the policy year in which the "period of restoration" began.

5. With respect to the coverage provided under this endorsement, the Water Exclusion in Section I – Property is replaced by the following exclusion:

Water

- a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- b. Mudslide or mudflow; or
- c. Water under the ground surface pressing on, or flowing or seeping through:
- (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1. or 3., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 4., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion

applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs 1. through 4., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

J. Crisis Counseling

1. In the event that an incidence of “workplace violence” occurs at any of your premises during the policy period, we will reimburse you for reasonable expenses incurred for the emotional counseling of your employees, incurred during the policy period.
2. \$5,000 or the limit shown in the Limit Of Insurance for Crisis Counseling, whichever is higher, is the most we will reimburse per policy period for all Insureds / Employees combined.
3. A deductible does not apply to this coverage.

The following is added to **SECTION I – PROPERTY, H. DEFINITIONS:**

“Workplace violence”, whenever used in this endorsement, means any intentional use of, or threat to use deadly force by any natural person, with intent to cause harm and that results in bodily “injury” or death of a employee of the insured or any other natural person while on your premises.

SECTION I – PROPERTY, G. OPTIONAL COVERAGES is amended as follows:

4. Outdoor Signs

- d. The most we will pay for loss or damage in any one occurrence is \$2,500 or the limit shown in the Limit Of Insurance for Outdoor Signs shown in the Declarations, whichever is higher.

5. Money And Securities

- c. The most we will pay for loss in any one occurrence is:
 - (1) \$5,000 or the limit shown in the Declarations for Inside the Premises for “money” and “securities” , whichever is higher, while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
 - (2) \$5,000 or the limit shown in the Declarations for Outside the Premises, whichever is higher, for “money” and “securities” while anywhere else.

6. Employee Dishonesty

- c. The most we will pay for loss or damage in any one occurrence is \$5,000 or the limit shown in the Limit Of Insurance for Employee Dishonesty, whichever is higher, in the Declarations.

All Other Terms And Conditions Of This Policy Remain Unchanged.